

Geneva, 20 December 2022

**Subject: 2023-2025 Allocation Letter<sup>1</sup>**

Dear Chair of the Regional Steering Committee (RSC)

Dear Country Coordinating Mechanisms

Over 20 years, the Global Fund partnership has saved 50 million lives yet the fight to end AIDS, tuberculosis and malaria is not over. Recent unprecedented health challenges had a devastating impact on the progress made. But together, we can get back on track to end the three diseases by 2030, to build resilient and sustainable systems for health and strengthen pandemic preparedness, to make the world healthier and more equitable.

To accelerate impact towards these goals, we must work together to ensure that the funding requests and grants for the new allocation period bring to life the vision of the new [2023-2028 Global Fund Strategy: Fighting Pandemics and Building a Healthier and More Equitable World](#).<sup>2</sup> We must put people and communities at the center of all our work. We must put greater focus on equity, sustainability, efficiency, program quality and innovation. We must reduce new infections across the three diseases, addressing structural barriers and leveraging innovations in prevention tools and approaches. We must take determined action to advance gender equality and tackle human rights and gender-related barriers for lasting impact. And we will work together to mobilize increased national resources for health.

**Regional Artemisinin Resistance Initiative (RAI) and Integrated Health Response and RSSH Package (IHRRP) Allocation**

Based on the Global Fund Board's decision in November 2022 on the funding available for the 2023-2025 allocation period, the **Regional Artemisinin Resistance Initiative (RAI) has been allocated US\$146,294,061 to fight malaria in the Greater Mekong sub-region (GMS) including Cambodia, Lao People's Democratic Republic (PDR), Viet Nam, Myanmar and Thailand**. The allocation amount is comprised of US\$96,294,061 from national allocations and US\$50,000,000 from multi-country catalytic funding. The allocation for RAI represents the full amount of malaria investment of the Global Fund in this sub-region. Additionally, for non-malaria specific activities, a further **US\$40,000,000 has been allocated for a regional Integrated Health Response and RSSH Package (IHRRP)**. The total allocation for the five countries plus the regional component is therefore US\$186,294,061.

The allocation amounts for all countries are determined according to a methodology approved by the Global Fund Board primarily based on disease burden and income level.

<sup>1</sup> This letter includes annexes and links, which should be read together and in full.

<sup>2</sup> [https://www.theglobalfund.org/media/11612/strategy\\_globalfund2023-2028\\_narrative\\_en.pdf](https://www.theglobalfund.org/media/11612/strategy_globalfund2023-2028_narrative_en.pdf) Note that the 10 key strategic shifts are described on page 7.

**Table 1: Summary of allocation**

<b>Eligible disease component</b>	<b>Allocation (US\$)</b>	<b>Allocation Utilization Period</b>
Malaria	146,294,061	1 January 2024 to 31 December 2026
Regional IHRRP	40,000,000	
<b>Total</b>	<b>186,294,061</b>	

**Timing.** The allocation agreed for each disease component can be used during the relevant allocation utilization period. Any remaining funds from a previous allocation, unused by the start of the indicated allocation utilization period, will not be additional to the new allocation amount.<sup>3</sup>

**RSSH investments.** Investing in RSSH, including community systems, accelerates progress in the fight against the three diseases and enables health services to be delivered in an integrated, sustainable, equitable, efficient, and effective way. The Global Fund therefore recommends that the level of country investment in RSSH be maintained where appropriate and increased where possible. To better identify synergies in system investments across the eligible diseases, as a new requirement in the 2023-2025 allocation period, applicants are required to indicate the intended investment amount for RSSH from within the allocation.

## **Application Approach**

The RSC is requested to submit its application for funding using the Full Review funding request. A complete set of application materials will be shared by the Global Fund Country Team.

The funding request is required to be developed through inclusive and transparent country dialogue with a broad range of stakeholders,<sup>4</sup> including key and vulnerable populations.

A variety of resources to help applicants prepare their funding requests are available on the [Global Fund website](#).<sup>5</sup> We encourage all those involved in the preparation of the funding request to carefully read these guidance materials.

## **Aims of the Allocation**

Given the current challenging economic environment and limited available resources, the Global Fund recognizes the need to prioritize investments. To enhance effectiveness and performance, the Global Fund will support investments where the greatest impact can be achieved, including in health

<sup>3</sup> Any extension of an existing grant using the HIV, TB or malaria allocation will be deducted from the subsequent allocation utilization period, both in terms of time and funds used during the extension period.

<sup>4</sup> Stakeholders should include relevant government directorates, e.g., laboratory directorate, community health directorate, human resources for health directorate.

<sup>5</sup> <https://www.theglobalfund.org/en/applying-for-funding/design-and-submit-funding-requests/applicant-guidance-materials/>

and community systems, prevention, human rights and gender equality, according to countries' needs.

The funding request submitted to the Global Fund should be aligned with prioritized country needs and the latest global technical guidance, and guided by relevant national disease strategic plans, national health sector and sub-sector plans and program reviews.

In addition, the Global Fund would like to share the following for your consideration during the development of the funding request(s):

The fourth RAI allocation (RAI4E) is critical for completing the effort to eliminate *P.falciparum* malaria in all five participating countries. As such, the intensification and last mile activities introduced in the third RAI allocation (RAI3E) must be continued, scaled up or introduced depending on the context. Malaria transmission is now becoming even more focused, and the burden is mostly found in areas that are harder to reach, among populations underserved by the health system, such as densely forested areas and/or areas on country borders. Special emphasis should therefore be placed in identifying and providing prevention, early diagnosis and treatment to these populations, including ethnic minorities, migrant and mobile populations, populations in border areas, forest goers and people in camps.

The utility of RAI4E funding should be maximized particularly by engaging the already functioning civil society organizations (CSOs) at cross border areas in collaboration with the local health authorities and should continue to be optimized with a core focus on achieving malaria elimination and prevention of reintroduction under a potentially broader aspect of health such as, among others, regional public health security and equity.

There should be a critical focus on key areas of increasing sustainability, including the comprehensive integration of community health worker (CHW) scope of work, and increased financing for malaria in all participating countries. Country-specific area guidance is also included:

### **Cambodia**

Continuation of the role of CSO partners under RAI4E in the same geographical locations is critical to continue their focus on forested locations with hard-to-reach populations and forest goers along the Cambodia, Vietnam and Lao (PDR) borders. This is critical to ensure the last few *P.falciparum* active foci are cleaned and that active surveillance is in place to prevent its re-introduction. It will also facilitate full scale implementation of *P.vivax* radical cure activities. Continuation of last mile/intensification activities in targeted areas should continue as they have shown significant success in reducing malaria burden. Continued integration of CHW and expansion of their scope of work to include key childhood illnesses will also support their sustainability.

### **Lao (PDR)**

In Lao (PDR), there are 90 health center catchment areas supported by CSOs located along the border with Vietnam and Cambodia. Malaria cases from these catchment areas constitute a significant portion of all malaria cases in the five southern provinces. Activities should continue with the support of partners and the successful intensification/ last mile approaches should be continued.

## **Vietnam**

In Vietnam, nearly 70% of malaria cases are from Lai Chau and Gia Lai Provinces and among ethnic minority population and forest goer populations. CSO support for access to malaria services among migrant, mobile and ethnic minority vulnerable populations in the remote areas such as Lai Chau at Vietnam-China border and Quang Tri at Vietnam-Lao border and Gia Lai, should continue under RAI4E. Continued utilization of the last mile and intensified approaches commenced in RAI3E will be important in reaching elimination.

## **Thailand**

A significant increase in malaria cases along the western border of Thailand has been reported due to the high influx of immigrants. This includes six endemic provinces along the border: Mae Hong Son, Tak, Kanchanaburi, Ratchaburi, Petchaburi and Prachuap Khiri Khan. The National Malaria Programme, in collaboration with its partners, should ensure prevention, testing and treatment coverage of malaria services to these populations and strengthen surveillance to eliminate malaria in Thailand.

## **Myanmar**

As agreed during the recent Joint Independent Malaria review, the dramatic increase in cases in malaria in 2021 and 2022 calls for an aggressive response across the whole of Myanmar. Access to services should be maintained across all the states and regions for the good of all in Myanmar and in neighboring countries. The country must maintain its national goal to eliminate malaria and utilize the strong approaches that have previously brought success in Myanmar and in neighboring countries. Integrated community malaria volunteers and the private sector have played a key role in accessing hard-to-reach areas in Myanmar; their role is becoming even more important as malaria moves further into hard-to-reach areas and the Global Fund expects this to be reflected in the funding request.

The use of new WHO malaria treatment guidelines and accelerated and innovative response activities for key populations in key areas will be critical. Strengthened vector control activities will be a primary focus with timely LLIN distribution, both mass and continuous, to all at risk populations. Critical stockouts of some drugs and commodities threaten to undermine effective case management. Progress on this area has been observed, however, Ministry of Health and partners should make every effort to resolve underlying procurement and supply management issues as an absolute priority. Malaria case projections should be revised on an annual basis based on in-depth epidemiological analysis. Urgent procurement needs should be adjusted based on a review of caseload in May each year. Larger than normal buffer stocks of rapid diagnostic tests and antimalarials should be provided, even in the peripheral areas.

## Conditions to Access the Allocation

**CCM eligibility requirements.** The Global Fund Secretariat screens all applicants for compliance with CCM [eligibility requirements](#).<sup>6</sup> Compliance with requirements 1 and 2 is assessed at the time of submission of the funding request. Compliance with requirements 3 to 6 is assessed both at the time of submission of the funding request and on a yearly basis throughout the period of Global Fund financing. Continued compliance with all eligibility requirements throughout program implementation is a condition to access Global Fund financing (including CCM funding).

**Co-financing requirements.** While Global Fund grants represent a major financing contribution to the eradication of HIV, TB and malaria, they are only a part of more significant financing resources for health and the national responses that include RAI participating countries domestic contributions. Increasing domestic resources for health and spending these resources efficiently and equitably is essential to end the epidemics and strengthen the health systems that are the foundation of the disease response. To access the full 2023-2025 allocation, countries must meet the Global Fund's co-financing requirements, as set out in the [Sustainability, Transition, and Co-Financing \(STC\) Policy](#).<sup>7</sup> All countries are expected to progressively increase their domestic public spending for health to improve performance for both health financing and health outcomes, and to progressively pay for a growing share of key program costs of national responses (e.g., prevention, services for key and vulnerable populations, drugs, diagnostics, malaria bed nets, etc.), especially those currently financed entirely or in large part by the Global Fund.

To encourage increasing domestic resource mobilization, a portion of RAI's total Global Fund funding is provided as a co-financing incentive that will be accessible once RAI has committed to certain co-financing requirements. The portion of the allocation tied to co-financing for RAI is the same per country as defined in the HIV/TB allocation letters. Details about the co-financing requirements for RAI, and how they have been determined, are included in Annex A.

The funding request process represents a strategic opportunity to take stock of actions and initiatives to further improve sustainability of Global Fund supported programs. In this regard, we would like to specifically focus attention on actions to accelerate domestic funding of malaria to complement country priorities included in the "aims of this allocation" section and strengthen sustainability of Global Fund investments in key areas such as human resources and health product procurement.

## Opportunities for Funding Beyond the Allocation Amount

**Unfunded quality demand.** The Global Fund requests that all applicants develop a Prioritized Above Allocation Request (PAAR) and submit this along with the allocation funding request. Interventions from the PAAR that the Technical Review Panel (TRP) considered quality demand will

<sup>6</sup> [https://www.theglobalfund.org/media/7421/ccm\\_countrycoordinatingmechanism\\_policy\\_en.pdf](https://www.theglobalfund.org/media/7421/ccm_countrycoordinatingmechanism_policy_en.pdf)

<sup>7</sup> [https://www.theglobalfund.org/media/4221/bm35\\_04-sustainabilitytransitionandcofinancing\\_policy\\_en.pdf](https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf)

be listed on the Register of Unfunded Quality Demand (UQD). Submitting a robust PAAR is an essential step to accessing funding beyond the allocation amount.

**Joint investments.** The Global Fund encourages the RSC to consider opportunities for joint investments and resource mobilization.

I thank you for your shared commitment and efforts in the global fight against malaria.

Sincerely,

*M.A. Eldon Edington*

**Mark Eldon-Edington**

Division Head, Grant Management

## Annex A: Supplementary Information for the Regional Artemisinin Resistance Initiative (RAI) and the Integrated Health Response and RSSH Package (IHRRP)

### Implementation

The Global Fund recognizes the value of efficient implementation and encourages all countries to explore opportunities to streamline and consolidate implementation arrangements for the coming allocation period. The Global Fund encourages all applicants to consider optimal service delivery arrangements based on country context, with due consideration to community-based and -led organizations.

Specifically, the Global Fund does not expect any changes to the implementation arrangements of the RAI grant, including with respect to the Principal Recipient (UNOPS) or number of Sub-recipients, and encourages implementers to find efficiencies in their administrative costs in the upcoming grant cycle. Should countries have strong reasons to change the Sub-recipients, this will be discussed on a case-by-case basis.

CSOs are a critical part of implementation. Under RAI2E and RAI3E, CSOs have been successfully working with governments to complement the public sector and contribute towards achieving program targets. In particular, CSOs have demonstrated great benefit and value in supporting the public sector by delivering services in hotspots and hard-to-reach areas and communities. The Global Fund, therefore, strongly supports CSOs to maintain services where they have shown a comparative advantage and encourage selective identification of CSOs that have a proven record of success in meeting targets. The Global Fund strongly recommends, based on its desire to promote data driven decision making, that the RSC and CCMs ensure that no less than 40-50% of overall funding and country allocations across the GMS are allocated to CSOs so they continue targeting populations that are most vulnerable to malaria transmission. This will represent enhanced cooperation of national programs and CSOs towards malaria elimination and in line with transition sustainability.

### Allocation

**Currency.** The allocation for RAI (including the IHRRP) is denominated in US dollar. Global Fund allocations can only be denominated in Euro or US dollar.

**Recoveries.** Verification of expenditures under prior or existing Global Fund grants, including through audits and investigations by the Global Fund's Office of the Inspector General, or by or on behalf of the Global Fund Secretariat, may have resulted or may result in current or former Principal Recipients having an obligation to repay amounts to the Global Fund. Access to the full allocation amount will be conditional on relevant Principal Recipients' actions towards repayment. The Global Fund will work with CCMs and Principal Recipients to explore all possibilities for repayment. If satisfactory actions towards repayment are not completed, the Global Fund can apply remedial action, including a reduction of funding of twice the outstanding recoverable amount(s) from the allocation amount. The Global Fund considers that there is an outstanding recoverable amount of US\$ 23,961 as of 30 November 2022.

## Critical Investments to Advance Global Goals

**Importance of investments in people-centered integrated systems for health.** The surest way to defeat today's infectious diseases as well as prevent, prepare for and respond to future pandemics is by rising above disease-specific silos and investing in health and community systems that support the delivery of integrated, people-centered health services. RSSH investments must support integrated delivery of services across and beyond the three diseases, and integrated health system functions that are aligned with the national health strategic plan and support national health priorities. For the 2023-2025 allocation period, RSSH investment areas encompass health sector planning and governance, health financing and financial management systems, community systems and responses, monitoring and evaluation systems, human resources for health and quality of care, health product management systems, laboratory systems strengthening, and medical oxygen and respiratory care systems. Additional cross-cutting areas include private sector engagement and digital health.<sup>8</sup>

**Importance of investments to maximize the engagement and leadership of most affected communities.** The Global Fund's partnership model calls for action to put people and communities at the center of everything we do, particularly those most affected by HIV, TB and malaria. To ensure greater health equity, and that services are designed to respond to the specific needs of those most affected, communities must be supported to lead as equal partners in the design, implementation, monitoring, and provision of expert technical support for disease programs. For the 2023-2025 allocation period, a set of minimum standards for community engagement have been introduced which all countries are expected to meet.<sup>9</sup>

**Importance of investments to maximize health equity, gender equality and human rights.** Removing human rights and gender-related barriers in access to services is critical to ending the epidemics. When unaddressed, these barriers undermine effective and impactful responses and limit sustainable progress. For the 2023-2025 allocation period, countries are expected to make an accelerated effort to advance gender equality and adopt gender-transformative approaches, in line with the Global Fund's Strategy.<sup>10</sup>

**Program essentials and critical approaches.** In consultation with the broader partnership the Global Fund has introduced a set of program essentials for HIV, tuberculosis and malaria, which are evidence-based interventions and approaches critical to meeting the goals of national disease strategies and respective global targets. For RSSH, critical approaches have been identified to ensure that RSSH interventions delivered by Global Fund-supported programs are set up to achieve

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<sup>8</sup> More information on RSSH interventions eligible for Global Fund support is available in the RSSH Information Note:

[https://www.theglobalfund.org/media/4759/core\\_resilientsustainablehealth\\_infonote\\_en.pdf](https://www.theglobalfund.org/media/4759/core_resilientsustainablehealth_infonote_en.pdf)

<sup>9</sup> More information is available in the guidance document Community Engagement: Opportunities Throughout the Grant-Life Cycle:

[https://www.theglobalfund.org/media/12475/crg\\_community-engagement\\_guide\\_en.pdf](https://www.theglobalfund.org/media/12475/crg_community-engagement_guide_en.pdf)

<sup>10</sup> Detailed guidance on effective investments in programs and approaches that address human rights and gender-related barriers, including key interventions to consider incorporating into funding requests, can be found in the Technical Briefs.



maximum impact. Applicants are encouraged to consider program essentials and critical approaches when developing their funding requests.<sup>11</sup>

**Importance of enhancing the efficiency of investments.** Constrained fiscal space and funding shortages call for strategic resource allocation and utilization to maximize impact. Evidence-based investment decisions are critical to ensure that domestic and grant resources are optimally allocated across disease programs, program- and system-level interventions, population groups and geographies at the country level to drive results. Optimal allocation includes ensuring resources are utilized efficiently by choosing the right inputs at the right quantities, and efficient service delivery modalities.

**Value for money procurement.** To maximize the impact of allocations, the Global Fund will not finance commodities purchased at a price higher than the reference price for such commodities, where one exists.<sup>12</sup>

**Protection from sexual exploitation, abuse and harassment (SEAH).** The Code of Conduct for Recipients of Global Fund Resources sets forth prohibitions on SEAH, requirements on reporting and expectations to have policies and measures in place to prevent and respond to sexual exploitation and abuse and sexual harassment. Creating safer access to grant services is not only the “right” thing to do; programs free of sexual misconduct also help us end the three diseases as public health threats.<sup>13</sup>

## **Strengthening Sustainability and Impact of Investments**

To strengthen the overall impact and sustainability of Global Fund investments, the Global Fund has two different requirements which are determined by a country’s income classification. “Application focus requirements” outline how countries should invest Global Fund financing and “co-financing requirements” outline how countries should invest domestic commitments made in the context of Global Fund grants.

### **Application focus requirements: 50%**

As the GMS is predominantly classified as lower-middle-income, at least 50% of allocation funding should be for disease-specific interventions for key and vulnerable populations and/or highest impact interventions within a defined epidemiological context. Requests for RSSH must be primarily focused on improving overall program outcomes for key and vulnerable populations in two or more of the diseases for which the participating countries have received allocations and should be targeted to support scale-up, efficiency and alignment of interventions. Applications must include, as appropriate, interventions that respond to human rights and gender-related barriers, inequities and vulnerabilities in access to services.

<sup>11</sup> More information on program essentials and critical approaches can be found in the Information Notes.

<sup>12</sup> Please consult the Global Fund website for a consolidated reference price list (<https://www.theglobalfund.org/en/sourcing-management/health-products/>) and refer to the Budgeting Guidelines ([http://www.theglobalfund.org/media/3261/core\\_budgetingglobalfundgrants\\_guideline\\_en.pdf](http://www.theglobalfund.org/media/3261/core_budgetingglobalfundgrants_guideline_en.pdf)) for more details.

<sup>13</sup> More information can be found in the Global Fund Code of Conduct for Recipients of Global Fund Resources ([https://www.theglobalfund.org/media/6011/corporate\\_codeofconductforrecipients\\_policy\\_en.pdf](https://www.theglobalfund.org/media/6011/corporate_codeofconductforrecipients_policy_en.pdf))

### **Determining the total minimum co-financing requirement**

To access the portion of RAI total Global Fund funding tied to co-financing, RAI countries must present a credible case that it is on track to realize an agreed total minimum co-financing requirement for malaria and RSSH investments. Actual spending against the country's 2020-2022 commitment will be discussed and agreed with RAI countries over the coming months. This will be used to determine the total minimum co-financing commitment for the 2023-2025 period, which will be finalized by the time the funding request is submitted.

As the GMS is predominantly classified as lower lower middle-income, at least 50% of the additional co-financing investments required to access the co-financing incentive must be invested in disease program interventions.

Commitments to access the co-financing incentive portion of the 2023-2025 allocation should specify the activities to be financed, linked strongly to priority national programmatic objectives, and explain how realization of commitments will be verified and reported to the Global Fund. This includes details of what sources will be used, who in the government will collect, summarize, and report the results, and who will sign off on the report, and with what frequency.

RAI countries should provide confirmation of co-financing commitments through its Commitment Letter, and later, evidence of realization of those commitments from appropriate government authorities, including the Ministry of Finance and/or other relevant bodies.

The Global Fund recognizes that RAI countries continue to face macroeconomic and fiscal challenges, especially given the COVID-19 pandemic and its disruptions to health services and expenditures, that could limit the fiscal space for domestic financial investments in health during the 2023-2025 allocation period. The Global Fund has taken into account these contextual factors in proposing co-financing requirements for RAI countries and will work in a spirit of openness and collaboration with the Government to agree on concrete targets that are consistent with RAI countries' ability to pay in a manner that expresses national ownership and is sustainable over time.

### **Previous co-financing and domestic commitments for the 2020-2022 allocation**

Failure to realize previous co-financing commitments from the 2020-2022 allocation may result in the Global Fund reducing funds from existing grants and/or reducing the 2023-2025 allocation. RAI countries should submit evidence of the realization of previous commitments (listed below), including budget execution evidence, when submitting its funding request. Evidence of expenditure against commitments to increased government health spending, disease program spending, and specific programmatic spending, should accompany the Funding Landscape Table.

For ease of reference, co-financing commitments of RAI countries for the 2020-2022 allocation period, include:

- **Cambodia:** Scale up of human resource and operational expenses for management and delivery of malaria services and procurement of malaria diagnostics (US\$ 12 million).

- **Lao PDR:** Procurement of LLINs, procurement of RDTs, training and review meetings (US\$ 1.45 million) and human resources and operational expenses of malaria program (US\$ 6.07 million).
- **Myanmar:** Budget for the Vector Borne Disease Control Program at the central, state/region and township levels; salaries of personnel supporting malaria program and services, infrastructure maintenance and operational costs; and logistics to be procured domestically (US\$ 63.54 million).
- **Thailand:** MOPH budget for procurement of LLINs, IRS, diagnostics and LLINs; human resources and operational costs of vertical malaria program management structures-Bureau of Vector-Borne Diseases at central level, Offices of Disease Prevention and Control at regional level, Vector-borne Disease Centers at the provincial level, and Vector-Borne Disease Units at district level; and management and delivery of malaria services through integrated and decentralized systems including malaria surveillance under the Health Data System, and community-based services for malaria under the District Health Boards (US\$ 41 million).
- **Viet Nam:** Earmarked NMCP budget for case management, vector control, surveillance, and program management, along with budgets for human resources and infrastructure at central, provincial, district, and commune levels (US\$ 68.06 million).